



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

NEWS RELEASE

Office of the Attorney General
P.O. Box 20207 Nashville, TN 37202-0207

Department of Commerce and Insurance
Division of Consumer Affairs
500 James Robertson Parkway Nashville, TN 37243

FOR IMMEDIATE RELEASE

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CONTACT:

Sharon Curtis-Flair

(615) 741-5860

**TENNESSEE LEADS 17 OTHER STATES IN \$2.15 MILLION DOLLAR AGREEMENT
WITH FRIEDMAN'S JEWELERS**

Tennessee announced today it has entered an agreement along with 17 other states with Friedman's Inc., doing business as Friedman's Jewelers, for alleged unfair and deceptive trade practices.

The Tennessee Attorney General's Office lead the multistate investigation into claims the nation's third largest jeweler failed to adequately inform consumers of insurance fees it was charging consumers. The Tennessee Attorney General filed a lawsuit against Friedman's in December 2004. One month later, the company filed bankruptcy. At the time of initiating the lawsuit, Friedman's had 560 jewelry stores in 21 states, 54 of which were in Tennessee. Post bankruptcy, Friedman's has 427 jewelry stores in 20 states, 28 in Tennessee.

The States alleged Friedman's, when selling jewelry and financing the purchase, would charge premiums for credit life, credit disability and property insurance without adequately informing consumers they were purchasing insurance. The states alleged consumers would often have insurance coverage and pay for it without realizing it.

As part of the agreement, Friedman's will require clear and conspicuous point of sale disclosures when offering credit insurance to consumers in the future. Additionally, Friedman's will

be required to comply with licensing laws before offering credit insurance and Federal Truth in lending laws. The jewelry company has also agreed to pay \$2,150,000.00 to the multistate group. Friedman's has denied any wrongdoing and all of the allegations raised by the lawsuits as part of the agreement.

"We are pleased with this agreement," said Acting Tennessee Attorney General Michael E. Moore. "It is important that consumers receive clear and adequate information when making a purchase and are not unfairly charged for products they do not want or need."

The Attorney General offers the following consumer tips:

- *When purchasing any goods or services with a financing agreement, carefully review the financing documents and inquire about any extra fees or costs above those you initially agreed or expected to pay;

- *Before financing with an in-store financing option, check other financing options available to you and compare financing terms such as the interest rate;

- *If you elect to purchase credit insurance for any transactions, make sure the company is licensed to sell insurance in your state and is in good standing.

- *When deciding whether to purchase credit insurance, review the terms of the credit insurance contract for all exclusions and compare the price of the credit insurance to the amount that would be paid off.

In addition to Tennessee, other participating states include Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, South Carolina and Texas.

Consumers who have consumer complaints should contact the Division of Consumer Affairs at 1-800-342-8385 (toll-free inside Tennessee) or (615) 741-4737.